

Pos Indonesia – promoting financial inclusion through hybrid payment solutions

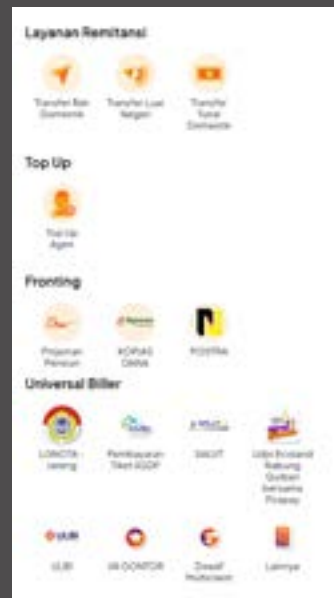
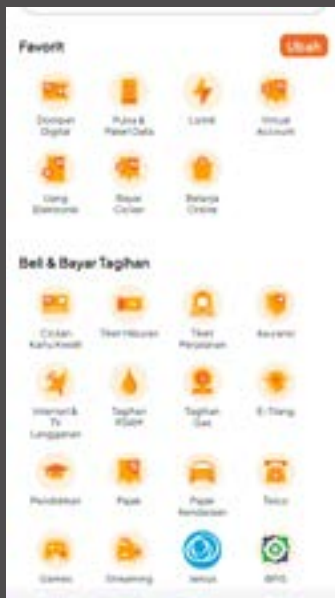
Pos Indonesia’s PosPay platform exemplifies how national postal networks can deliver inclusive digital payment services through a multi-channel model. Available as a mobile application and web platform, PosPay enables customers to pay for bills from over 1,000 service providers – including utilities, taxes, education fees, insurance, and loan instalments – anytime and anywhere. Importantly, this service is not limited to smartphone users. Customers without smartphones or internet access can complete their transactions in person at over 4,300 digitally connected post offices or through USSD (Unstructured Supplementary Service Data) codes using basic mobile phones. This inclusive approach reflects Pos Indonesia’s commitment to bridging the financial services gap in underserved areas, where commercial banks have minimal presence.

The success of PosPay is built on Pos Indonesia’s recent nationwide digital transformation, which connected nearly all of its post offices to the internet using a combination of 4G mobile broadband, fibre optic connections, and VSAT (very small aperture terminal) in very remote areas. This infrastructural upgrade allowed digital transactions to be processed seamlessly through both online and physical channels. The hybrid model not only ensures accessibility for less digitally connected populations but also enhances user trust by preserving the availability of face-to-face support through post office staff.

What makes PosPay particularly impactful is Pos Indonesia’s strategic decision to focus on smaller cities and rural areas where traditional financial service

providers are largely absent. This strategy is only possible because of Pos Indonesia’s legal obligation to fulfil the universal service obligation, which ensures that its extensive network reaches remote and underserved regions. By leveraging this legally mandated footprint, Pos Indonesia is uniquely positioned to promote financial inclusion at national scale. The platform’s inclusive capabilities extend further through its remittance and money transfer services. Users can send money to anyone, regardless of whether the recipient has a bank account, and recipients can then collect their funds in cash at the nearest post office. This is particularly impactful in rural areas, where unbanked populations are more prevalent. With over 6 million PosPay users and over 51 million Indonesians accessing digital financial services through physical service points, Pos Indonesia is playing a pivotal role in expanding financial access and reducing the digital divide.

As a result of regulatory limitations, Pos Indonesia is not licensed to offer full banking services. However, it acts as a front-end partner for a range of banking and non-banking financial institutions. Through these partnerships, PosPay users gain access to credit, insurance, and investment products. Financial institutions, in turn, benefit from Pos Indonesia’s vast physical reach and customer base, enabling them to serve remote and underserved areas they might not otherwise reach as well as reach customers using the PosPay app. This synergy between public infrastructure and private financial service providers demonstrates the power of the postal network in advancing national financial inclusion goals.



Sources:
Interview with
Pos Indonesia
staff